



Economic Stimulus Bill's Affect on H1-B Hiring

On Tuesday, February 17, 2009, President Obama signed into law the Economic Stimulus Bill. This 1,071 page bill, intended to spur the United States' sluggish economy was passed by the House and Senate late last Friday in a 246 – 183 vote and a 60 – 38 vote, respectively. President Obama has called this piece of legislation a "major milestone on our road to recovery". With an estimated \$787 billion price tag, the measure includes \$281 billion dollars in tax cuts, \$308 billion of outlays funded by appropriation committees, \$198 billion in spending benefit for unemployment, funds for Americans receiving social security and additional funds for Medicaid health programs.

The Stimulus Package also contains language proposed by United States Senators Bernie Sanders (I) from Vermont and Chuck Grassley (R) from Iowa instituting stricter rules on hiring H1-B workers by financial companies receiving money under the Troubled Assets Relief Program (TARP). This proposal is a lesser version of the original which placed a blanket ban on all H1-B visas for companies participating in TARP. For the next two years, these institutions will now be subject to the guidelines of H1-B dependent companies, those whose workforce consists of 15% or more visa holders.

Regulations for H1-B visa dependent companies include:

1. The employer will not displace any similarly employed U.S. worker within 90 days before or after applying for H-1B status, or an extension of status for any H-1B worker;
2. The employer will not place any H-1B worker employed at the worksite of another employer unless the employer first makes a bona fide inquiry as to whether the other employer has displaced or intends to displace a similarly employed U.S. worker within 90 days before or after the placement of the H-1B worker; and
3. The employer, before applying for H-1B status for any alien worker pursuant to an H-1B, took good faith steps to recruit U.S. workers for the job for which the alien worker is sought, at wages at least equal to those offered to the H-1B worker. Also, the employer will offer the job to any U.S. worker who applies and is equally or better qualified than the H-1B worker.

With the unemployment rates at 7.6% in January 2009, a 16 year high, and a push to "buy American" by means of the Economic Stimulus Package, employers can expect greater scrutiny and regulations surrounding their visa programs.

For further information regarding H1-B regulations and H1-B Dependent Companies, please visit the United States Department of Labor at www.dol.gov.

About Paragon

Originally founded as a relocation consulting company specializing in domestic and international relocation and global assignment program development consulting, our mission was to develop cost-effective mobility programs that offered more services to the transferring employee, at less cost to the organization. Today, we maintain an extensive consulting practice focused on global mobility issues in their entirety.

Paragon's Consultants have worked with companies throughout the world in virtually every industry to revise, develop, or otherwise build a relocation policy providing your firm considerable experience in policy development.

Questions, comments, or to unsubscribe email us at consultingservices@paragondri.com
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